

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL PACKAGE SERVICE (FCPS)  
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-2

**RESPONSE OF POSTAL SERVICE WITNESS FOTI TO  
PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-T3-5**

The United States Postal Service hereby provides the response of Witness Thomas J. Foti to the above-listed interrogatory, posed by the Public Representative on July 16, 2021. The question is stated verbatim and followed by the response. The question has been renumbered, however, to pick up the sequence from the earlier set of questions to this witness posed by the Public Representative.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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TO INTERROGATORIES OF THE PUBLIC REPRESENTATIVE**

**PR/USPS-T3-5.** Please refer to the 10-year Plan, Delivering for America. The Postal Service states that “[o]nline sales have surged while shipping durations have been reduced. In [Fiscal Year (FY) 2020], shipping customers selected 1- or 2-day service for 72 percent of their parcel shipments. We estimate that this could be as high as 90 percent by 2025” (footnote omitted). *Id.* Please also refer to USPS-T-3 at 7, lines 21-22 and at 8, line 1. Witness Foti states that based on the First-Class Package Service Transit Commitment (FTC) Survey “after the proposed changes to [First-Class Package Service] service standards, we expect that we will maintain current [First-Class Package Service] volumes due to our highly competitive prices and improved reliability in meeting service expectations.”

- a. Please confirm whether the reduction in shipping durations described in the Postal Service’s Strategic plan cited above also includes First-Class Package Service.
- b. If question [PR/USPS-T3-5.a] is not confirmed, please explain.
- c. If question [PR/USPS-T3-5.a] is confirmed, please explain how the statement in the Postal Service’s Strategic Plan, *i.e.*, that there will be increased consumer demand for shorter shipping durations, is not contrary to Witness Foti’s testimony that First-Class Package Service volume is expected to be maintained despite increases to shipping durations under the proposed service standard changes.

**RESPONSE:**

- a. Confirmed.
- b. N/A.
- c. The two statements are not in conflict with each other. We expect that continued growth in e-commerce will drive increased shipment volumes in the overall parcel market across carriers, shipment sizes, and weights. We also expect a greater proportion of e-commerce shipping volume will be delivered in 2-days or less. As a result, shipments delivered in 3 or more days may represent a smaller proportion of the overall parcel market, but the aggregate volume of shipments delivered in 3 or more days will not necessarily decline.

Further, under the proposed changes, the reach of FCPS’s 2-day service standard will expand. Currently, approximately 20.6 percent of FCPS volumes receive a

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2-day delivery service standard. Under the proposed changes, 25.4 percent of current FCPS volumes would receive a 2-day service standard, upgrading 4.8 percent of volumes to a 2-day service standard. Additionally, the proposed changes enable enhanced reliability and on-time performance at 95 percent.

We believe FCPS's compelling value proposition of fast, reliable delivery at very competitive prices will continue to resonate with lightweight shipping customers.